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Chairman: Mr. Kmoníček (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 9:35 a.m.

Agenda item 121: Proposed programme budget for the biennium 2004-2005 *(continued)* (A/58/6 and Corr.1 and A/58/6 (Introduction), A/58/6 (Sect. 1), A/58/6 (Sect. 2), A/58/6 (Sect. 3), A/58/6 (Sect. 3)/Corr.1 and 2, A/58/6 (Sect. 4), A/58/6 (Sect. 5), A/58/6 (Sect. 6), A/58/6 (Sect. 7), A/58/6 (Sect. 8), A/58/6 (Sect. 9), A/58/6 (Sect. 10), A/58/6 (Sect. 11), A/58/6 (Sect. 12), A/58/6 (Sect. 13) and Add.1, A/58/6 (Sect. 14)/Rev.1, A/58/6 (Sect. 15), A/58/6 (Sect. 16), A/58/6 (Sect.17), A/58/6 (Sect. 18), A/58/6 (Sect. 19), A/58/6 (Sect. 20), A/58/6 (Sect. 21), A/58/6 (Sect. 22), A/58/6 (Sect. 23), A/58/6 (Sect. 24), A/58/6 (Sect. 25), A/58/6 (Sect. 26), A/58/6 (Sect. 27), A/58/6 (Sect. 28), A/58/6 (Sect. 29), A/58/6 (Sect. 30), A/58/6 (Sect. 31), A/58/6 (Sect. 32), A/58/6 (Sect. 33), A/58/6 (Sect. 34), A/58/6 (Sect. 35), A/58/6 (Income Sect. 1), A/58/6 (Income Sect. 2), A/58/6 (Income Sect. 3), A/58/7 and Corr.1)

Agenda item 122: Programme planning *(continued)* (A/58/16)

1. **Mr. Elnaggar** (Egypt) said that it was important to attain the established objectives effectively and on time, but that required having sufficient resources. Yet while the objectives set for the Organization were ever more numerous, available resources had not increased in real terms. The problem involved mobilizing sufficient political will to obtain from Member States adequate financial resources for the tasks that have to be accomplished, knowing that Member States were at the same time determined to reform the Organization in order to make it more effective.

2. Egypt noted a certain selectiveness in the way funding for political missions was increased, when resources provided for development and economic and social affairs remained insufficient. Admittedly expenses needed to be rationalized whenever possible, but that should not affect the priorities and mandates established by member States.

3. Egypt was closely monitoring the reform of the budgeting process and felt that the proposals formulated to date were somewhat vague. Budgeting was more than a technical process; it was a planning exercise that needed to be undertaken in a multilateral framework. For that reason Egypt was paying increasing attention to medium-term planning and the role Member States could play in intergovernmental multilateral mechanisms, in terms of choosing the Organization's priorities, and in monitoring and evaluating the results obtained. It considered that the reform of working methods should tend towards greater efficiency and serve the interests of everyone — both countries from the north and those from the south.

4. **Mr. Akram** (Pakistan) supported the statement made by the representative of Morocco on behalf of the Group of 77 and China, and hoped that results-based budgeting would make it easier to evaluate the results obtained. He considered that the organizations responsible for preparing programmes should be more closely involved in the planning and programming process. The proposed programme budget for the biennium 2004-2005 was more concise and more strategic, which should make it possible to ensure consistency between the Organization's activities and the priorities decided upon by the General Assembly, specifically within the framework of the Millennium Declaration and the Monterrey Consensus. It was necessary to provide for sufficient means to finance all prescribed activities, and to ensure that all Member States paid their quota punctually and in full, as Pakistan did. Development was one of the major areas of action of the United Nations and related organizations, so a medium-term plan was needed, and it was important to allocate sufficient financial and human resources to programmes benefiting the developing and least developed countries.

5. The proliferation of activities should not systematically imply the creation of new posts. All requests for new resources should be justified in relation to the volume of work and the outcomes expected — the aim being to achieve efficiency and productivity gains by rationalizing the use of existing resources. Pakistan was therefore in favour of budgetary discipline and the adoption of measures to simplify the operations of administrative units and working methods. In this spirit, it supported the increasing computerization of the Organization.

6. The Pakistani delegation believed it was desirable to have a degree of flexibility in reallocating resources on a needs basis. It was advisable to fine-tune the criteria governing these reallocations and more precisely ascertain their incidence on programmes. The post vacancy rate used to calculate appropriations should be as close as possible to the actual vacancy

fate and consultants should only be used in cases where it was effectively proven that the requisite know-how was not available within the Organization. The Pakistani delegation supported the application of article 5.6 of the regulations and rules governing programme planning, the programme aspects of the budget, the monitoring of implementation and the methods of evaluation, regarding the elimination of outputs of marginal usefulness, but it agreed with the Advisory Committee on Administrative and Budgetary Questions (ACABQ) that the intergovernmental bodies concerned should be consulted when it was proposed to eliminate outputs that had been expressly authorized by the deliberating bodies. Pakistan also wanted greater precision regarding the effect of restoring appropriations for common service infrastructure, which had been eliminated when the programme budget for 2002-2003 was adopted. The report on recosting, an exercise usually undertaken in December, also warranted close attention.

7. **Mr. Baali** (Algeria) said that his delegation supported the statements made on behalf of the Group of 77 and China and on behalf of the Group of African States. He underscored the importance of reforming the Organization in the quest for greater consistency, effectiveness and dynamism; and he drew attention to the fact that the programme budget was an instrument for facilitating change and strengthening the Organization's capacity to fulfil the mandates prescribed by intergovernmental bodies. The proposed programme budget for the biennium also emphasized measures to be taken to tackle the problems of globalization and achieve the goals established in the Millennium Declaration.

8. For several years the execution of programmes and activities had been coming up against budget constraints, and it was becoming increasingly urgent to prioritize consensus approaches and to involve the Secretariat in the negotiations. The Algerian delegation stressed in particular the importance of fulfilling the budgetary procedures established by resolution 41/213, and ensure that the role played by Member States in the in-depth analysis of resource allocation was preserved.

9. The Algerian delegation welcomed the improvements made to results-based budgeting methods, particularly the introduction of results measurement and basic data that would make it possible to monitor progress achieved during the biennium, and the application of that method to executive direction and management activities. Nonetheless, Algeria considered that the Organization had long lacked a system of global information on programmes relating to financial management systems. It would therefore be hard for it to improve the formulation of success indicators and to clearly gauge the extent to which outputs were contributing to the established objectives and expected achievements in each of their subprogrammes.

10. Having closely studied the sections of the budget relating to Africa, the Algerian delegation supported the Secretary-General's request for resources to strengthen the capacity of the Office of the Special Advisor on Africa to support the New Partnership for Africa's Development (NEPAD). Algeria was concerned by the fact that the post vacancy rate, especially in the professional category, remained very high in the Economic Commission for Africa (ECA), and this risked undermining ECA activities in support of NEPAD enterprises, and in the long term compromising efforts made by the Organization on behalf of African countries, whose particular needs had nonetheless been stressed in the Millennium Declaration.

11. **Mr. Tal** (Jordan) said that his delegation had studied the programme budget in detail, and agreed with the statement made by the representative of Morocco on behalf of the Group of 77 and China. While stressing that the Organization should have all the resources it needed to fulfil the mandates entrusted to it by the deliberating bodies, the Jordanian delegation considered that those resources needed to be used as effectively as possible, in strict compliance with the rules on accountability and transparency. The Jordanian delegation noted with satisfaction that the presentation of the programme budget had been simplified and that this document now indicated the objectives to be attained and the basic data to be used to measure the success indicators. Although Jordan fully supported the measures taken to improve the results-based budgeting process, it did not see that as an end in itself, but rather as an administrative mechanism enabling the Organization to monitor the pace of expenditure, and to identify shortcomings more effectively and remedy them in a timely manner.

12. The Jordanian delegation agreed with the remarks made by ACABQ regarding the presentation of outputs: these should be improved to highlight the correlation with expected achievements more clearly. It

was incumbent on programme directors and budget officers to present outputs in a way that made it possible to make a correct and impartial assessment when considering eliminating any of them. Outputs that had expressly been approved by the deliberating bodies should only be eliminated in consultation with the intergovernmental bodies concerned.

13. To ensure that the Organization's resources were used as rationally as possible, the results of the various programmes and subprogrammes should be periodically reviewed; and resources should be reallocated, where necessary, to pre-empt supplementary funding requests. The Jordanian delegation believed that workload was the chief criterion that should be applied in post redistribution and lateral transfer of officials. Programme directors needed assistance in absorbing additional workloads, within the limits of available resources, through additional computerization, simplification of work procedures, and better distribution of tasks, so that supplementary resources would only be required as a last resort.

14. Although it agreed in principle with the recommendations contained in paragraphs 73 to 78 of the ACABQ report regarding the reclassification of jobs and global staff management, the Jordanian delegation feared that the formula being recommended might reduce the Secretary-General's room for manoeuvre in terms of resource reallocation. More precise information on the post vacancy rate in different grades and the natural staff wastage rate would be needed.

15. The Jordanian delegation was even more concerned by the volume of resources spent on recruiting consultants and contractual staff, because the proposed programme budget did not give enough information to justify the sums requested. Noting that in paragraphs 92 to 94 of its report, ACABQ remarked that the argument invariably used to justify such recruitment was that the Secretariat did not have the skills needed to undertake certain activities, it proposed that such activities be reviewed, particularly those that were recurrent, and that the Secretariat should train certain staff to carry out such tasks in the framework of a systematic programme of training and capacity strengthening.

16. Extra-budgetary funds were seen as an important complement to resources allocated to the Organization in the ordinary budget, but it was essential that they were allocated consistently with the priorities agreed upon by member States. The Jordanian delegation agreed with the opinion expressed by ACABQ that such funds should be managed with the maximum discretion while respecting the Organization's financial rules and procedures. Lastly it was concerned about the increasing use of extra-budgetary funds to finance activities that logically ought to have been financed through the ordinary budget.

17. **Mr. Kim Sam-hoon** (Republic of Korea) stated that, in their examination of the proposed programme budget for the biennium 2004-2005, Member States should take account of the additional responsibilities and complexity of the mandates entrusted to the Organization, whose budget had not increased for 10 years. They should also take steps to improve the cost-effectiveness ratio of the Organization's work, on the understanding that the forthcoming reform should not be used as a pretext for introducing budget cuts.

18. Given that payroll expenses represented nearly 80 per cent of the Organization's total ordinary budget, the Korean delegation was concerned at the job reclassifications being requested, and intended to make a close study of the reasons invoked to justify requests for post creation or reclassification.

19. The Korean delegation welcomed the importance given to information and communications technology in the framework of the reform of the Secretariat and the United Nations system as a whole. It believed that such techniques could help the Organization become significantly more effective, and it intended to share its experience in that area with Member States.

20. On the issue of results-based budgeting, the Korean delegation welcomed the efforts made by the Secretary-General to present the budget in a more concise format and give it a strategic orientation. Nonetheless, it considered that several indicators needed to be made more precise and matched to measures of results, and it asked the Secretary-General and the Secretariat to refine this budgeting method further.

21. **Mr. Volkov** (Russian Federation) said that the review of the proposed programme budget for 2004-2005 came at a time of intensive reflection on the Organization's role in the contemporary world. The budget was an instrument that could help the United Nations reform its operations and rationalize the

structure of its expenditure, in order to strengthen its operating capacities and the effectiveness of its execution mechanisms.

22. The Russian Federation supported the revised medium-term plan for 2002-2005, and the measures proposed by the Secretary-General aimed at reallocating the Organization's limited resources on the basis of priorities, objectives, and the mandates issued by the member States. The proposed programme budget for 2004-2005, which displayed real growth of 0.5 per cent, envisaged the possibility of reallocating resources among the different subprogrammes in order to finance priority activities. Noting that only 912 products had been eliminated, the Russian delegation believed it was important to make a new listing of obsolete programmes and activities, in order to reallocate resources towards high-priority activities. New funds also needed to be released to finance the payroll expenses of the Office for the Coordination of Humanitarian Affairs through the ordinary budget. The new budgeting method should help reallocate resources and make it possible to pinpoint areas where economies could be made without undermining approved priorities.

23. The Russian delegation noted that the budget was more concise and gave priority to strategic orientations. The preface and introduction described the main budget parameters, goals and priorities. Budgeting methods had improved and were based on precise results, which ought to make it possible to rationalize the use of funds allocated to programmes and projects, while also facilitating expenditure monitoring. Nonetheless, such improvements would only bear fruit if they were matched by new modalities of budget execution. Moreover, it was unfortunate that the programme budget did not establish a direct correlation between resources and activities, since this would help Member States in particular to judge whether the appropriations envisaged were sufficient to achieve the expected results in full.

24. The total expenditure envisaged in the budget, namely US$3,058,200,000 would be the subject of complex negotiations since it was both a financial and political issue. The Russian delegation wanted to know how the supplementary resources that would have to be added to this amount to finance priority activities would be accounted for, and where the corresponding funds would come from. It believed that economies could be made in areas such as management, general services, travel, and consulting services. It supported the ACABQ recommendation concerning the re-evaluation of the budget, and agreed with its comments on the post vacancy rate of and job reclassification. It noted the requests for supplementary posts and reclassifications with concern. It drew attention to the increase in appropriations being requested for training and information technologies. It believed it was advisable to update monitoring and evaluation methods so that the amounts invested in training would generate efficiency and productivity gains. In some cases, a more flexible and effective staff management policy would make it possible to deal with the issue of the skills of professional staff. It was necessary to evaluate the effects of investments already committed in the information technology area before considering new ones.

25. **Ms. Ndhlovu** (South Africa), whose delegation fully supported the declarations made by Morocco on behalf of the Group of 77 and China and by Botswana on behalf of the Group of African States, stressed that the review of the proposed programme budget was taking place against the backdrop of United Nations reform. The proposed programme budget therefore continued to emphasize measures taken by the Secretary-General aimed at strengthening the Organization.

26. In the opinion of South Africa, participation by Member States was based on shared values that had been reaffirmed in the Millennium Declaration, and subsequently in the Monterrey Consensus and the Johannesburg Plan of Implementation. These instruments formed part of the vast effort being deployed internationally to achieve the Millennium Development Goals, and it was encouraging that the ordinary budget provided sufficient resources for their full application. It was essential that the Secretary-General continued to ensure that the Organization's resources were used rationally, transparently, and responsibly; but there were limits to what could be achieved with a stagnant budget. New budget constraints would seriously compromise the Organization's ability to provide the services expected from it, especially if Member States continued to issue it with new mandates. It was time seriously to consider the possibility of a more realistic budget than the one approved in 2001.

27. The budget document indicated that the increase in expenditure envisaged in priority programmes would

largely be financed by reallocating resources within the approved outline budget. It was advisable to remember, in this regard, that General Assembly resolution 57/300 had stressed that the reform should not be seen as a budget-cutting exercise (paragraph 4), and that the Organization should further strengthen its efforts to implement the development goals through enhanced mechanisms, adequate resources, and effective follow-up activities (paragraph 5). It was therefore necessary to ensure that any redeployment of resources took full account of the priorities established in the medium-term plan and in no way compromised the Organization's capacity to achieve its development goals.

28. The creation of the Office of the Special Adviser on Africa was an important measure to support the implementation of NEPAD, and one would like to think that the Office would be provided with the financial and human resources needed to fulfil its mandate. The Economic Commission for Africa had been specially entrusted with supervising coordination and collaboration among United Nations bodies relating to NEPAD on the regional scale, and South Africa was confident that the Commission would also receive the necessary financial support.

29. As regards the United Nations Office in Nairobi, for the first time funding assigned to it in the ordinary budget would exceed extra-budgetary resources. This strengthening of the Office's administrative means would enable the United Nations Environment Programme (UNEP) and the United Nations Programme for Human Settlements (UN-Habitat) to more effectively target their resources on executing basic programmes, particularly those considered at the Johannesburg Summit and in support of NEPAD. South Africa also welcomed the Secretary-General's proposals aimed at modernizing and expanding the conference facilities in Nairobi.

30. The South African delegation noted that results-based budgeting had been applied for the first time to the executive direction and management category in each of the budget sections. It was aware that several years would be needed to perfect this method of budgeting, but in the long run it would make it possible to rationalize expenses and more effectively monitor the quality of results obtained by the Organization.

31. **Mr. Hannesson** (Iceland), whose delegation supported the statement made by Italy on behalf of the European Union, wanted to stress a number of points. While the size of the Organization's budget, at over US$3 billion, reflected the development experienced by the United Nations system, it also made it necessary to question the tasks addressed by the Organization and its real capacity to fulfil them.

32. Each Member State contributed to financing the programme budget to the best of its abilities. It was in everyone's interest that the budget were presented clearly and strategically, and that the funds were allocated on results criteria. Programming also should be guided by attainable goals. Results-based budgeting and management reform needed to be implemented. Transparency had to be increased by making the presentation of the budget clearer and more concise, and submitting exhaustive reports on its execution. Management should be based on vigorous internal oversight and inspection mechanisms. Activities and functions with dual employment should be eliminated. Iceland praised the very complete audit and advisory work performed by the Office of Internal Oversight Services (OIOS), and encouraged the heads of all departments to follow up the recommendations made by OIOS.

33. For the United Nations to be able to fulfil its mandate, it also needed to have a sound and effective information system. This was one of the key instruments of reform, which would need to be a priority in future budgets. On a broader scale, Iceland stressed the importance of activities included in the budget to close the information gap around the world, and it hoped in particular that the World Summit on the Information Society, to be held in Geneva in December, would make progress in this regard.

34. **Ms. Pulido Santana** (Venezuela) supported the statements made by the Moroccan delegation on behalf of the Group of 77 and China and by the Peruvian delegation on behalf on the Rio Group. She noted that the Secretary-General had introduced new and welcome changes in the presentation of the budget, but much remained to be done to focus the proposed budget not so much on contributions but on results, and on the system of accountability that this entailed. With regard to programme execution, Venezuela was concerned by the remarks made by ACABQ that there was currently no effective mechanism for monitoring, evaluating, and measuring the outcomes and impact of the Organization's programmes and activities, and no direct correlation with financial aspects; it asked for

clarification on this subject from the Secretariat. Venezuela was aware that application of the results-based budgeting method was still at its early stages and would need to be improved progressively. Nonetheless, the improvement process needed to be accelerated.

35. One of the main features of the proposed programme budget for the biennium 2004-2005 involved the reallocation of certain resources toward priority areas. In the opinion of Venezuela, however, all of the sections were important, and it hoped that the goals set in the Millennium Declaration would be duly taken into account, together with the medium-term plan for 2002-2005 and the results of major international conferences in the economic and social domain. The speaker referred to a number of activities contained in the budget that were directly related to the priorities established by her government to respond to the country's multiple and urgent needs, particularly as regards the fight against poverty and exclusion. She reaffirmed that democracy, together with a participatory form of government that that was sensitive to the population's needs, and transparent and responsible administration, were essential for achieving sustainable development that was concerned with social priorities and focused on the human being. She hoped that Member States would provide the Secretary-General with the resources needed to finance the activities programmed for the biennium 2004-2005, and that strict budgetary discipline would be observed during that period.

36. **Mr. Obame** (Gabon) supported the statements made by Morocco on behalf of the Group of 77 and China and by Botswana on behalf of the Group of African States, and wanted to add his own observations. The proposed programme budget for the biennium 2004-2005 was consistent with the framework of orientations defined by the Millennium Declaration, the recommendations of various world conferences, and the revised medium-term plan for 2002-2005. The Gabonese delegation applauded the budget's smaller format, and the clarity and precision of its sections, established under the principles of results-based budgeting, in accordance with General Assembly resolution 55/231. Of a total of some US$3 billion, according to the preliminary expenditure estimate, the proposed programme budget foresaw a net increase of 117 posts. With regard to the transformation of certain temporary posts into permanent positions, the Gabonese delegation believed a correlation needed to be established between the level of the post and the degree of effectiveness achieved, in order to significantly improve the quality of services. Once all redeployment possibilities had been exhausted, new posts should be created under the criterion of fair geographic representation. The budget appropriation entailed a slight increase of 0.5 per cent in real terms in relation to the previous period; taking account of the prescribed mandates and the ever larger volume of activities, a reallocation of resources towards priority areas would undoubtedly be necessary.

37. The rising trend of extra-budgetary funding was becoming a worry. For the biennium 2004-2005, the estimated total such funds was US$4.2 billion. The Gabonese delegation believed it was important to manage the escalation of extra-budgetary funding in order to respect the multilateral nature of the Organization. It also welcomed the proposal to eliminate certain outputs that had become obsolete, in application of Article 5.6 of the Regulations and Rules Governing Programme Planning, although consensus would be needed regarding the marginal usefulness of the 912 products approved.

38. Gabon would closely monitor requests for appropriations to strengthen activities linked to development and peace and security, especially in Africa. It was particularly interested in the support provided to the Department of Economic and Social Affairs and to the implementation of NEPAD, and it welcomed the steps taken to create the Office of the Special Adviser on Africa. On the issue of peace and security, cooperation would need to be intensified between the United Nations and African Organizations, which would necessarily entail a strengthening of African capacities in the peacekeeping domain and additional support for the Department of Peacekeeping Operations. The Gabonese delegation considered that the three United Nations peace missions operating in Africa — in Liberia, the Democratic Republic of the Congo, and Côte d'Ivoire — could not be ended until programmes on disarmament, demobilization, and reintegration and reinstallation or repatriation had been effectively implemented. Adequate resources needed to be provided to United Nations services responsible for disarmament, to enable them to monitor regional initiatives in that area, particularly through the United Nations Regional Centre for Peace and Disarmament in Africa. Lastly, the Gabonese delegation applauded the fact that appropriations requested for information and

communication technologies and for staff training were at an appreciable level, and stated that it would address these aspects in detail during the official consultations.

39. **Mr. Apata** (Nigeria) said that his delegation supported the statements made by the representative of Morocco on behalf of the Group of 77 and China and by the representative of Botswana on behalf of the Group of African States. The proposed budget for the biennium 2004-2005 contained a slight increase in relation to the preceding period, which Nigeria welcomed, because it was time to give the Organization resources that were adequate in relation to the breadth of its mission. The improvements made to budget presentation, and the indication of the objectives to be attained, had facilitated the review of the proposed programme budget. Results-based budgeting undeniably represented progress, but it needed to be refined to provide a genuinely effective tool in support of decision-making. The observations made on this subject by the Advisory Committee were extremely useful.

40. The distribution of resources was consistent with the priority programmes defined in the medium-term plan and revised by the Committee for Programme and Coordination. The role of the Committee needed strengthening, however, and at its most recent session it had decided to undertake an in-depth review of its working methods to make them more effective. The reallocation of resources among subprogrammes was one of the main characteristics of the proposed programme budget for 2004-2005. It would be desirable to analyse the impact of that redistribution on the Organization's activities. Prudence was required on this issue, however, given the need to respect the priorities established by Member States at the programme level. It was also necessary to ensure that article 5.6 of the Regulations and Rules Governing Programme Planning were applied consistently and in consultation with the competent intergovernmental bodies, since this involved deciding which products should be eliminated.

41. The Nigerian delegation had taken note of the proposal to expand the powers of the Secretary-General to reclassify posts. Nonetheless, to ensure that a measure of this type did not undermine the prerogatives of the different United Nations offices or bodies, at the same time greater flexibility would be needed in recruitment up to grades P-4 or P-5. A more thorough analysis of the various possible alternatives would help the General Assembly to reach a decision on this important issue. Nigeria also wanted reassurance from the Secretariat that posts would not be left vacant merely to make economies. The vacancy rate for professional posts at the Economic Commission for Africa was too high. Vacant posts needed to be filled rapidly to ensure that the ECA could fulfil its supplementary mandates in the framework of support for the implementation of NEPAD.

42. The strengthening of the Organization's capacities in the information technology area was encouraging, but this needed to form part of a clearly defined strategy that also encompassed all geographical locations and regional committees. The failings of the decision-making system mentioned by the Advisory committee in paragraph 125 of their report needed to be rectified.

43. The refocusing of activities on the priorities defined in the Millennium Declaration and in the documents issued by major United Nations conferences and summit meetings should go hand in hand with the concern to ensure a predictable amount of financing for essential programmes. It was also necessary to give programme directors greater latitude in managing appropriations and ensuring that extra-budgetary resources were allocated in keeping with the priorities approved by member States. Nigeria applauded the creation of the Office of the Special Adviser on Africa and hoped that it would be given the hierarchical structure and staffing needed to operate effectively.

44. **Mr. Honningstad** (Norway) noted with satisfaction that the new presentation of the programme budget reflected, more effectively than previously, the Organization's priorities as announced in the Millennium Declaration and in the communiqués issued by major conferences. In particular, he welcomed the fact that priority activities could largely be financed by reallocating resources. He considered that the overall increase of the budgetary appropriation, of 0.5 per cent in real terms, was reasonable even for Member States that were experiencing financial difficulties.

45. The Norwegian Government fully supported the proposed budget, its priorities, its overall amount, and the reallocation of resources. A zero-growth budget would not have been realistic, because the Organization needed adequate resources to fulfil its

new mandates. It therefore supported the Secretary-General's efforts to ensure that priority activities were included in the ordinary budget. It deplored the fact that the Organization had increasingly relied on extra-budgetary funding in recent years, since this procedure was not the most rational way to address common problems and was contrary to the principles of collective responsibility and solidarity.

46. While welcoming the quality of the Advisory Committee's work, Norway did not support the recommendations aimed at achieving economies of US$41 million. In particular, it deplored the elimination of a P-5 management post that had been proposed at the Office of the United Nations Coordinator for security reasons, stressing that it attached great importance to the Organization's capacity to prevent and manage conflicts, for which measures to strengthen the security of its staff were essential.

47. Norway applauded the priority given to international development cooperation and, in particular, the considerably increased support that the Organization expected to give to the New Partnership for Africa's Development (NEPAD). That continent warranted special assistance and attention.

48. Norway firmly supported the proposals made by the Secretary-General relating to support for the activities of the Office of the United Nations High Commissioner for Human Rights, but was worried by the lack of resources allocated to that programme, which made it unduly reliant on extra-budgetary funding.

49. Norway noted with satisfaction that issues of parity would henceforth be an integral part of budget processes and that relevant objectives and outcome indicators had been established. It also welcomed the fact that the General Assembly had approved the creation of the post of special Adviser on Gender Issues and the Advancement of Women at its 57th session, but it believed this important post should be at least at the P-5 level and it urged the Secretary-General to use his discretionary power to reclassify it.

50. Norway welcomed the significant increase in resources allocated to the Office for Drug Control, Crime Prevention, and the Fight against Terrorism.

51. As humanitarian aid was one of its budgetary priorities, Norway welcomed the concrete measures proposed to improve coordination of United Nations efforts in this area. It also supported the proposal to increase the ordinary resources allocated to the United Nations High Commissioner for Refugees by US$2.5 million, and in fact would have supported a larger increase. Accordingly, it did not share the opinion expressed by ACABQ in that regard.

52. Norway fully supported proposals on investments in information technology and training for the Secretariat to ensure major conferences were followed up, in accordance with General Assembly resolution 57/300.

53. It was pleased to note that results-based budgeting was being used more widely and that a larger number of objectives, expected outcomes and results indicators had been formulated. Nonetheless, much remained to be done, and the remarks made by ACABQ on the execution of programmes and the corresponding reports were useful. In conclusion, Norway stressed that, while approving the proposed programme budget, it nonetheless expected the Organization to improve its operations and management.

54. **Ms. Aguinaldo** (Philippines), speaking on behalf of Member States of the Association of Southeast Asian Nations (ASEAN) supported the declaration made by the representative of Morocco on behalf of the Group of 77 and China in relation to the programme budget. ASEAN welcomed the fact that the deadline for presentation of the proposed budget had been met, and that the document was shorter and more strategic. It was also of the opinion that the reports should be shorter and better targeted. In the belief that rational use of resources implied effective staff management policies, ASEAN supported the Secretary-General's efforts to provide the Organization with staff that had multiple skills and the ability to adapt to change. ASEAN was also pleased that the accent would be placed on integrating gender equality issues, since this would enable women to benefit from the Organization's policies and programmes on an equal footing with men.

55. ASEAN supported the new orientations of the budget, which more accurately reflected the Organization's priorities as defined in the medium-term plan for 2002-2005, the Millennium Declaration and decisions taken at major international conferences. It attached great importance to the programme budget of

the Economic and Social Commission for Asia and the Pacific and hoped that the latter would be given sufficient financial and human resources to execute its work programme in three essential areas, namely eradication of poverty, management of the effects of globalization, and the search for solutions to new social problems.

56. **Mr. Herrera-López** (Mexico), supporting the statement made by the representative of Peru on behalf of the Rio Group, considered that apart from the new presentation, the proposed budget differed little from its predecessors. It was still too long and unmanageable, and, in his view, insufficiently strategic, brief, and transparent.

57. While admitting that the proposed increase of 0.5 per cent in real terms, or 6 per cent in nominal terms was not very significant, the Mexican delegation believed that the reforms implemented should have produced a reduction in the overall budget. It would therefore like the Secretariat to propose the elimination of a large number of obsolete or redundant activities, or to show a willingness to improve or eliminate certain complex and costly practices and procedures. In some cases, the Secretariat acted as interlocutor for Member States and systematically hid behind the lack of resources to pursue its own objectives.

58. Nonetheless, the fact was that all those gaps were present in one form or another in the proposed budget. To remedy this state of affairs and make the Organization more effective, Member States needed to establish clear priorities and the Secretariat had to make the best use of the resources allocated to it.

59. Mexico, which itself applied extremely rigorous budgetary principles, knew how to show discipline, effectiveness and transparency in the use of public funds. It expected the same rigour from the Secretariat.

60. **Mr. Effah-Apentenq** (Ghana) said that his delegation fully supported the statements made by the representative of Morocco on behalf of the Group of 77 and China and by the representative of Botswana on behalf of the Group of African States. Ghana welcomed the proposed programme budget for the biennium 2004-2005, and it took note of the recommendations made by ACABQ which provided a useful basis for future negotiations, along with those of the Committee for Programme and Coordination. It applauded the Secretary-General's intention to review the whole issue of security after receiving the recent report of the Task Force on Security. It welcomed the improvements made to the presentation of the budget and, in particular, steps taken to fine-tune the results-based budgeting process and promote its full application, together with the allocation of resources among subprogrammes within a given programme, and the reorientation of priorities to align the Organization's activities with the most recent mandates, particularly those emanating from the Millennium Summit, the International Conference on Financing for Development, and the World Summit on Sustainable Development, pursuant to General Assembly resolution 57/300. It hoped that those improvements would lead to effective changes in application.

61. The Ghanaian delegation supported the observations made by ACABQ in paragraph 9 of its report, to the effect that greater emphasis needed to be placed on the results obtained and on the accountability of those responsible for them. In the speaker's opinion, that was the best way for Member States to fulfil their role in the results-based budgeting process, provided they received the necessary information for decision-making from the Organization. It also agreed with observations made in paragraphs 14 through 29 of the Advisory Committee's report on the subject of programme execution and the corresponding reports, but they believed such questions should be examined in the framework of other inter-governmental reform initiatives.

62. On the question of posts, an essential resource for an Organization such as the United Nations, Ghana took note of the Secretary-General's proposal to establish a post vacancy rate of 5 per cent for professional staff and 1.5 per cent for general service staff, so that the ACABQ recommendation to bring these rates to 5.5 per cent and 2.3 per cent, respectively, tended to support the latter, thereby generating economies of US$12.5 million. Ghana was nonetheless worried by the high vacancy rate in the professional category in sections 11 (United Nations Support for the New Partnership for Africa's Development), and 18 (Economic and Social Development in Africa), and it urged the Secretariat to speed up the recruitment of competent staff to achieve the objectives set in the priority area of assistance for African development.

63. With regard to reclassification proposals, Ghana was pleased to note that the Secretary-General had

proposed to reclassify 44 posts, applying the criteria set out in paragraph 64 of General Assembly resolution 56/253. It generally supported the ACABQ recommendations on that subject, but it was concerned by the latter's observations contained in paragraphs 73 through 78 of the report that the way current flexibility was exercised in terms of staff management, particularly job reclassification, needed to be simplified. Ghana saw the observations made by the ACABQ as a good basis for discussion, particularly regarding the objectives of mobility. Nonetheless, as ACABQ was not proposing any criteria in its report, an in-depth study was necessary, for example considering the criteria that the Secretary-General could apply to the reclassification of posts in grades G-1 through G-6 and P-1 through P-5, apart from those announced in resolution 56/253.

64. Ghana also wondered about the effect that the proposed global staff management (which meant exchanging posts between different budget sections) would have on sectors where the vacancy rates were regularly high. The new policy could in fact have a direct influence on the execution of programmes. Ghana nonetheless found the proposal interesting and would not be opposed to all posts financed through extra-budgetary funds being integrated into the payroll, in order to ensure more streamlined management of the Organization's human resources. As regards the posts that it was intended to create, Ghana believed it would be preferable to employ temporary staff to undertake specific tasks, such as making up backlogs.

65. Ghana took note of the remarks made in paragraphs 80 through 83 of the ACABQ report, but did not agree with some of its recommendations on certain sections of the budget, particularly section 8 (Legal affairs). The Secretary-General's proposal to turn the International Trade Law Service into a division headed by a D-2 director seemed justified, considering the support that this service provided to the United Nations Commission on International Trade Law.

66. With regard to investments in information technology and training, the Ghanaian delegation, like many others, believed these would result in economies in the long run. It noted the many improvements made to the Organization's processes, and the role played by information technologies in that regard. It agreed with most of the observations made by ACABQ on this issue, and recognized the need to strengthen the system of governance and decision-making at the central level. Nonetheless, the creation of a high level post responsible for information technology, in addition to the existing post of head of the Information Technology Services Division, did not seem justified, and it therefore did not agree with the views expressed in paragraph 126 of the report. Taking note of the Secretary-General's most recent report on that subject (A/58/377), it considered that the proposals formulated there should be the point of departure for debate on that subject.

67. The Ghanaian delegation was pleased to note that, in accordance with General Assembly resolution 57/2, programme 8 of the medium-term plan had been revised and CPC had recommended its adoption. It also welcomed the creation of an Office of the Assistant Secretary-General and Special Adviser on Africa, responsible for coordinating United Nations support for the New Partnership for Africa's Development.

68. In section 28, it noted with satisfaction the reorientation of the activities of the Information Department on the basis of the Organization's priorities, which responded to the requests made by Member States on that subject. It also welcomed the regrouping of information centres in Western Europe, which would make it possible to make funds available for less well-endowed sectors such as information centres located in developing countries, or for strengthening multilingualism on the United Nations website. It would be interested to see what effect these measures had in a few years time.

69. **Mr. Motomura** (Japan) considered that the criterion of zero nominal growth should have governed the preparation of the programme budget. To finance new needs, it was necessary to establish priorities and reallocate resources to key activities from less important ones. In the opinion of the Japanese delegation, although the Secretary-General had proposed eliminating 912 products, insufficient care had been taken in analysing the activities likely to be eliminated. The Japanese government supported the ACABQ recommendation of a US$41 million reduction in the budget appropriation, but considered that the proposed reduction was insufficient and that the total amount of the budget should not exceed US$3 billion.

70. The Japanese delegation considered that the structure of posts in the Secretariat needed to be altered, since there were too many posts at the higher

levels. It would like the Secretary-General to compare this structure with those of the leading governments and other international Organizations which also tended to be overcrowded at the top, and submit a report on the subject. In its opinion, the creation of new high-level posts was not justified from the standpoint of strengthening the Secretariat, and risked aggravating the existing distortion, which could only make the Organization less effective. It also considered that the Secretariat needed rejuvenating. As regards the ACABQ recommendation that the Secretary-General should have the power to manage the staffing table, it believed that it was advisable to firstly improve the post structure.

71. Japan welcomed the economic measures adopted by the Secretary-General in February 2002, which had made a significant contribution to rationalizing the Organization's activities. Nonetheless, the economies made should be used, wherever possible, to compensate for additional expenditure arising from inflation and exchange-rate fluctuations.

72. According to the Japanese delegation, a recosting exercise would be needed in late 2004. It agreed with the ACABQ recommendation that it was advisable to report the recosting envisaged in December 2003, because there was a strong possibility that the budgetary appropriation would increase significantly a result of exchange-rate fluctuations. Lastly, it noted that despite efforts made to improve the geographic representation of Secretariat staff, the results were far from satisfactory, and it asked the Secretary-General to take further steps to improve the situation.

73. **Mr. Nambiar** (India) stated that his delegation supported the statement made by the representative of Morocco on behalf of the Group of 77 and China. He noted that the ordinary budget which, for 2004-2005 amounted to roughly US$3 billion, only represented a small portion of the resources actually made available to the Organization, since extra-budgetary funding would total US$4.2 billion and the budgets of peacekeeping operations exceeded US$5 billion, not counting the budgets of courts which added a further US$600 million to the total. Debates on the programme budget therefore needed to be kept in perspective, without denying the need for rigorous control over the Organization's expenses. Developing countries such as India were not looking to undertake micromanagement, they wanted above all to ensure that adequate financing was provided in the areas of activity that were of priority interest to them, i.e. essentially the economic and social sectors.

74. The logical framework of results-based budgeting had been further improved, and the objectives to be attained would henceforth be specified precisely for each programme. Nonetheless, it was not sufficient to list expected achievements and success indicators; tools were also needed to evaluate the quality of the outputs obtained.

75. The proposed budgetary appropriation, before recosting, consisted of the amount indicated in the outline budget approved by the General Assembly in resolution 57/820. The outline budget was seldom respected, however.

76. The Indian delegation noted with satisfaction that the allocation of resources between different budget sections had made it possible to limit requests for supplementary appropriations, which only amounted to about US$15 million. The Secretary-General had recommended eliminating several reports, meetings, and activities of marginal usefulness. Other economies were doubtless possible in that area and should be discussed. It was also necessary to ensure that the Regulations and Rules Governing Programme Planning had been applied in choosing the 912 products proposed for elimination.

77. The Indian delegation noted with interest the recommendations made by the Advisory Committee in its report on resource allocation, staffing issues, the demand for supplementary posts and management of staffing tables, among other things, and it hoped that these would be analysed in detail during the official consultations. It welcomed the refocusing of resources on the Organization's priorities, particularly the increase in funding for activities to support the implementation of NEPAD. In conclusion, the Indian delegation would like the Secretariat and the Advisory Committee to be very closely involved in the review of budgetary affairs, so that the Committee's debates would be transparent and constructive.

78. **Mr. Zhang** (China) noted with satisfaction that the proposed programme budget for the biennium 2004-2005 had been established using the results-based budgeting method, thereby providing an effective tool for determining the volume of resources needed to achieve the objectives defined by member States. The Chinese delegation noted that budgetary provisions for the biennium 2004-2005 amounted to a total of roughly

US$3 billion, representing an increase of 5.8 per cent in relation to the previous period. It considered that the Organization should keep its activities within the limits of the established budget appropriations, by controlling expenses, improving management, avoiding all forms of waste and using the resources available to it as profitably and rationally as possible. In particular, the Organization should make full use of information and communication technologies to reduce administration and management expenses, thereby making more resources available for development. The Advisory Committee had made useful recommendations on resource allocation which needed to be studied closely by the Secretariat.

79. The Chinese delegation hoped that budget officers and programme managers would intensify their collaboration and fine-tune realistic results indicators, on the basis of which ineffective or obsolete products would systematically be eliminated, which could only strengthen the execution of priority activities.

80. Budgetary issues had been thoroughly debated at the 43rd meeting of the Committee for Programme and Coordination, which had formulated numerous recommendations. The Chinese delegation hoped that the future deliberations of that body would be marked by additional effectiveness and pragmatism along with greater flexibility.

81. **Mr. Oratmangun** (Indonesia) said that his delegation supported the statements made by the representative of Morocco on behalf of the Group of 77 and China, and by the representative of the Philippines on behalf of the ASEAN countries. The Indonesian delegation noted with satisfaction that the programme budget for the biennium 2004-2005 was presented more concisely and according to the logical framework of results-based budgeting. Nonetheless, it believed that the framework should be implemented progressively, fully respecting the rules and regulations governing programme planning. Accountability mechanisms also needed to be strengthened.

82. The proposed programme budget for 2004-2005 should give the Organization the means to carry out actions aimed at achieving the goals defined in the Millennium Declaration and at the major conferences on development. In particular, provision had to be made for the activities to follow up the International Conference on Financing for Development and the World Summit on Sustainable Development. From that standpoint, the Indonesian delegation was firmly convinced of the need to strengthen the Department of Economic and Social Affairs. It also noted that significant reallocation of resources between several programmes was envisaged, and it wished to point out that the allocation of resources between different programmes should reflect the priorities established in the medium-term plan. It applauded the Secretary-General's efforts to encourage implementation of NEPAD, and it welcomed the creation of the Office of the Special Adviser on Africa.

83. While believing that the proposed programme budget ought to facilitate the application of reform measures defined in General Assembly resolution 57/300, to better equip the Organization to deal with current world challenges, the Indonesian delegation wished to stress that the streamlining of budgetary procedures should in no way compromise the Organization's capacity to successfully carry out the programmes prescribed by member States, particularly in the domain of international development cooperation, and that reform processes should not translate into budget cuts.

84. **Mr. Tun** (Myanmar) stated that his delegation supported the statements made by the representative of Morocco on behalf of the Group of 77 and China and by the representative of the Philippines on behalf of the ASEAN countries. The Myanmar delegation welcomed the Secretary-General's proposals aimed at bringing the Organization's activities more closely into line with the priorities defined in the Millennium Declaration and the texts issued by major international conferences, along with those aimed at increasing the effectiveness of conference services and information activities. It took note of the simplified presentation of the budget which continued to be established using results-based budgeting methods. The method would need periodic reassessment in order to improve its application.

85. The Myanmar delegation insisted that it was the revised medium-term plan for 2004-2005 adopted by the General Assembly in resolution 57/82 that should guide the preparation of the proposed programme budget for 2004-2005. Budgetary discipline, which was essential if the Organization were to become more effective, should not hamper the execution of activities prescribed by Member States, especially those that benefited developing countries, and most especially the least developed countries (LDCs). Adequate resources had to be provided in areas such as the environment,

economic and social development, poverty reduction, and humanitarian assistance. The importance given to computerization and training would doubtless help make the Organization more effective, but if the latter were to correctly fulfil its mission, Member States also needed to meet their financial obligations on a timely basis and in full.

86. **Ms. Ognjanovac** (Croatia) applauded the improvements and simplifications that had been made in the presentation of the budget, and hoped that the observations of the Advisory Committee on ways to further improve the application of the results-based budgeting method would be taken into account in future budget documents.

87. The budget approved for the forthcoming biennium should respond to a dual objective: to provide adequate resources to carry out the prescribed activities, and to ensure that those resources were used optimally. The Advisory Committee's report had set forth very useful principles in this regard. The Croatian delegation believed that the ranking of activities could be further improved, particularly through a systematic evaluation of programmes that seemed to have marginal usefulness, which had made it possible to reallocate resources towards new priorities, taking account of the goals established in the Millennium Declaration. Croatia, which resolutely supported the action of the United Nations and fulfilled its contributions punctually, hoped that the proposed programme budget for the biennium 2004-2005 would be adopted by consensus.

Other matters

88. The Chairman stated that Ukraine had asked for authorization to present its candidature for the available seat on the Committee on Contributions, even though the closing date for submissions had passed. In the absence of objection it would be considered that the Fifth Committee wished to grant that request.

89. *It was so decided.*

The meeting rose at 12.35 p.m.